

### REMARKS

Reconsideration and allowance are respectfully requested in light of the above amendments and the following remarks.

Claims 1 and 4-6 have been amended, claims 2, 3, and 7-13 have been canceled, claims 14-16 stand withdrawn, and claims 17-26 are newly added. Support for the features recited in the amended and new claims is provided in the original claims, Fig. 4, and the specification on page 23, line 5, through page 24, line 6.

Claims 1-13 were rejected, under 35 USC §102(e), as being anticipated by Segal (US 6,167,251). To the extent these rejections are deemed applicable to the amended claims, Applicant respectfully traverses.

Claim 1 now recites:

*A portable telephone apparatus comprising:  
an antenna for holding communication with a base station or a parent unit;  
a microphone;  
a speaker;  
operation keys and a display unit used by a user for operating the apparatus;  
telephone control unit for modulating a voice signal received from the microphone and outputting the modulated signal to the antenna and demodulating a radio signal received through the antenna to extract a demodulated voice signal;  
a chargeable battery for supplying power to the apparatus;  
storage unit for storing compressed music data;*

*data restoration unit for reading and expanding the data stored in the storage unit and reproducing a music signal from the expanded data; and  
mixing unit for mixing the demodulated voice signal with the reproduced music signal to produce a mixture signal that is output to the speaker.*

Segal fails to disclose the feature recited in claim 1 of a mixing unit for mixing a demodulated voice signal with a reproduced music signal to produce a mixture signal that is output to a speaker. The Office Action proposes that Segal discloses this feature in column 30, lines 15-32 (Office Action page 5, lines 5-7).

However, Segal discloses in Fig. 29 that downloadable music may be available to a keyless portable cellular phone 34 through a replaceable airtime cartridge 52 (Segal col. 30, lines 16-18). Downloadable music, such as transferred in MPS format, may be played through the system server 30, or may be downloaded to a preferred airtime cartridge having an internal MP3 player, which plays the music signal as it receives the signal, or preferably stores it to internal airtime cartridge memory, such as for later playback (col. 30, lines 18-24). For example, a user may activate the keyless portable cellular phone 34 for a limited time to download music 38n and may store the music internally to a preferred airtime cartridge, allowing the user to play back the music one or more times, such as when the keyless portable

cellular phone 34 is not activated (and unconnected to the system server 30), thus avoiding the cost of debited airtime communication units 57 while listening to the stored music (col. 30, lines 25-32).

As may be determined by examination of the cited portion above, Segal does not disclose mixing a demodulated voice signal with a reproduced music signal to produce a mixture signal that is output to a speaker. Instead, Segal discloses the either a received voice signal or a music signal, but not both, are sent to the speaker at any one time.

Accordingly, Segal does not anticipate the subject matter defined by claim 1. Therefore allowance of claim 1 and all claims dependent therefrom is warranted.

New claim 25 recites:

*A portable telephone apparatus comprising:  
an antenna for holding communication with a base station or a parent unit;  
a microphone;  
storage unit for storing compressed music data;  
data restoration unit for reading and expanding the compressed music data stored in the storage unit and reproducing a music signal from the expanded data;  
and  
mixing unit for mixing a voice signal received from the microphone with the reproduced music signal to produce a mixture signal; and  
telephone control unit for modulating the mixture signal and outputting the modulated mixture signal to the antenna and demodulating a radio signal received through the antenna to extract a demodulated voice signal for output to a speaker.*

Segal fails to disclose the features recited in claim 25 of a portable telephone apparatus having: (1) a mixing unit for mixing a voice signal received from a microphone with a reproduced music signal to produce a mixture signal and (2) a telephone control unit for modulating the mixture signal and outputting the modulated mixture signal to an antenna.

By contrast to the claimed features, Segal's portable telephone can receive either a voice signal or a music signal and it can transmit a voice signal received by its microphone. However, Segal's portable telephone cannot mix a voice signal received by its microphone with a music signal reproduced from compressed music data stored internally. Therefore, it necessarily follows that Segal's portable telephone cannot modulate such a mixed signal for transmission through an antenna.

Accordingly, Applicant submits that Segal does not anticipate the subject matter defined by claim 25. Therefore allowance of claim 25 and all claims dependent therefrom is warranted.

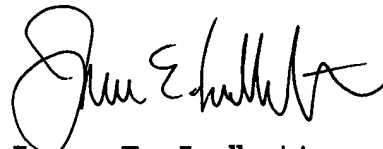
Independent claims 4-6 each recite features similar to those distinguishing claims 1 and 25 from Segal. For similar reasons these features distinguish claims 1 and 25 from Segal, so too do they distinguish claims 4-6. Therefore, allowance of claims 4-6 is warranted.

Moreover, claims 4-6 define a portable telephone that provides music, which is reproduced from compressed music data that is stored internally, for the listening pleasure of both the user of the portable telephone and the party to whom the user is communicating. Both parties hear the same reproduced music as background music during their conversation. Segal discloses nothing similar to this feature. Therefore, allowance of claims 4-6 is warranted for this independent reason.

In view of the above, it is submitted that this application is in condition for allowance and a notice to that effect is respectfully solicited.

If any issues remain which may best be resolved through a telephone communication, the Examiner is requested to telephone the undersigned at the local Washington, D.C. telephone number listed below.

Respectfully submitted,



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JEL/DWW/att

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